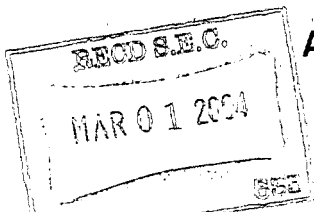


SECURI



MISSION

04004949

**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	October 31, 2004
Estimated average burden hours per response.....	12.00

SEC FILE NUMBER
8-48198

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**REPORT FOR THE PERIOD BEGINNING 01/01/03 AND ENDING 12/31/03
MM/DD/YY MM/DD/YY**A. REGISTRANT IDENTIFICATION**NAME OF BROKER-DEALER: ATLANTIC-PACIFIC CAPITAL, INC. I

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

102 GREENWICH AVENUE

(No. and Street)

GREENWICH

(City)

CT

(State)

06830

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

DONNA A. TOTH203-861-5481

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Price Water House Coopers LLC

(Name - if individual, state last, first, middle name)

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

- ☐ Certified Public Accountant
☐ Public Accountant
☐ Accountant not resident in United States or any of its possessions.

PROCESSED
MAR 25 2004
THOMSON
FINANCIAL**FOR OFFICIAL USE ONLY**

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

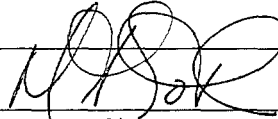
SEC 1410 (06-02)

Potential persons who are to respond to the collection of
information contained in this form are not required to respond
unless the form displays a currently valid OMB control number.

SW

OATH OR AFFIRMATION

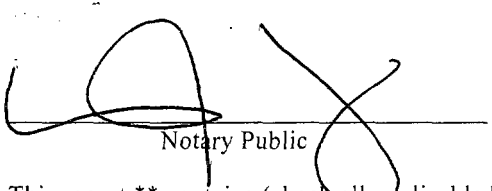
I, Donna A. Tott, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of ATLANTIC-PACIFIC CAPITAL, INC., as of DECEMBER 31, 20 03, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:



Signature

Chief Financial Officer

Title



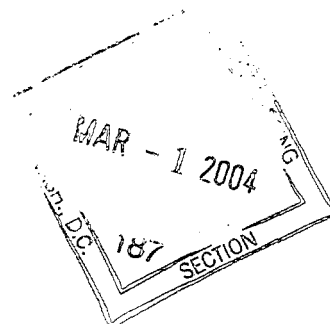
Notary Public

MEAGHAN J. MURPHY
NOTARY PUBLIC
MY COMMISSION EXPIRES MAR. 31, 2008

This report ** contains (check all applicable boxes):

- ☐ (a) Facing Page.
- ☐ (b) Statement of Financial Condition.
- ☐ (c) Statement of Income (Loss).
- ☐ (d) Statement of Changes in Financial Condition.
- ☐ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☐ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-3 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☐ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

****For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).**



Atlantic-Pacific Capital, Inc.

Consolidated Statement of Financial Condition

December 31, 2003

PricewaterhouseCoopers LLP
1177 Avenue of the Americas
New York NY 10036
Telephone (646) 471 4000
Facsimile (813) 286 6000

Report of Independent Auditors

To the Stockholder of
Atlantic-Pacific Capital, Inc.

In our opinion, the accompanying consolidated statement of financial condition presents fairly, in all material respects, the financial position of Atlantic-Pacific Capital, Inc. and subsidiary (the "Company") at December 31, 2003, in conformity with accounting principles generally accepted in the United States of America. This statement of financial condition is the responsibility of the Company's management; our responsibility is to express an opinion on this statement of financial condition based on our audit. We conducted our audit of this statement of financial condition in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the statement of financial condition is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated statement of financial condition, assessing the accounting principles used and significant estimates made by management, and evaluating the overall statement of financial condition presentation. We believe that our audit provides a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

February 26, 2004

Atlantic-Pacific Capital, Inc.
Consolidated Statement of Financial Condition
December 31, 2003

Assets

Current assets

Cash	\$ 6,014,483
Current placement fees receivable	20,006,386
Interest receivable	449,722
Due from Funds	401,563
Other current assets	<u>17,239</u>

Total current assets 26,889,393

Property and equipment (net of accumulated depreciation and amortization of \$2,046,717)

2,632,274

Other assets

Long term placement fees receivable	12,119,519
Investment in private investment fund	15,451,348
Security deposits	<u>132,364</u>

Total other assets 27,703,231

Total assets \$ 57,224,898

Liabilities and stockholder's equity

Current liabilities

Accounts payable and accrued expenses	\$ 908,971
Accrued year end bonuses	1,523,900
Accrued revenue participation	4,889,651
Current note payable	<u>74,400</u>

Total current liabilities 7,396,922

Long term liabilities

Long term note payable	1,103,706
Accrued revenue participation	<u>1,774,819</u>

Total long term liabilities 2,878,525

Total liabilities 10,275,447

Stockholder's equity 46,949,451

Total liabilities and stockholder's equity \$ 57,224,898

The accompanying notes are an integral part of this consolidated financial statement.

Atlantic-Pacific Capital, Inc.
Notes to the Consolidated Statement of Financial Condition
December 31, 2003

1. Nature of Business

Atlantic-Pacific Capital, Inc. (the "Company") was incorporated in the State of Delaware on February 9, 1995. The Company is a registered broker-dealer subject to certain regulations of the Securities and Exchange Commission (SEC) and the National Association of Securities Dealers, Inc. (NASD).

The Company raises capital from institutional investors and high net worth individuals for interests in private equity limited partnerships and hedge funds (collectively, the "Funds") that are not publicly traded. The Company earns a fee based on a percentage of capital purchased or committed to be purchased in such Funds. The Company's agreements with its clients typically include a fee retainer and schedule of fee payments to be made over an extended period of time after acceptance by a Fund of capital or capital commitments.

The Company has a subsidiary, Atlantic-Pacific Capital Limited ("APC Ltd."). APC Ltd. which operates in London, England, markets the services of the Company in Europe. All significant intercompany balances and transactions have been eliminated.

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated statement of financial condition of Atlantic-Pacific Capital, Inc. and its subsidiary has been prepared in accordance with accounting principles generally accepted in the United States of America.

Foreign Currency Translation

The Company's functional currency is the U.S. dollar. APC Ltd.'s functional currency is the British Pound, its local currency. All assets and liability accounts are translated at year-end exchange rates. Resulting translation adjustments are reported as other comprehensive income, a component of stockholder's equity.

Cash and Cash Equivalents

The Company considers all short term investments with an original maturity of 90 days or less to be cash equivalents. There were no cash equivalents at year-end.

Revenue Participation

Pursuant to agreements with certain employees, under specific circumstances, the Company is obligated to compensate such individuals at agreed upon percentages of placement fees received ("revenue participation").

Due from Funds

The Company is reimbursed by the Funds for all reasonable travel, telephone, postage and other out-of-pocket expenses incurred in relation to the capital fund-raising services provided.

Investment in Private Investment Fund

In exchange for publicly-traded debt securities, the Company acquired an interest in a private Limited Liability Company (the "LLC"). The Company is restricted from disposing of its investment by the provisions contained in the LLC agreement. At December 31, 2003, the

Atlantic-Pacific Capital, Inc.
Notes to the Consolidated Statement of Financial Condition
December 31, 2003

investment is valued at the market value of the contributed property less adjustments for liquidity and for carried interest fees owed pursuant to the LLC agreement.

Property and Equipment

Property and equipment are recorded at cost. Depreciation and amortization is provided using accelerated methods in accordance with generally accepted accounting principles over the estimated useful lives of the assets. Property and equipment consist of the following:

Asset	Life	Carrying Value
Computer equipment and software	3 - 5 years	\$ 891,721
Furniture and fixtures	5 - 7 years	674,868
Aircraft	5 - 7 years	2,208,241
Leasehold improvements	The lesser of the life of lease or the leasehold improvements	904,161
		<u>4,678,991</u>
Less accumulated depreciation and amortization		<u>(2,046,717)</u>
		<u>\$ 2,632,274</u>

Income Taxes

The stand-alone United States entity, Atlantic-Pacific Capital, Inc. ("APC, Inc.") has elected to be taxed under the provisions of subchapter "S" of the Internal Revenue Code. Under those provisions, APC, Inc. does not pay federal income taxes on its taxable income. Instead, the stockholder is liable for individual federal income taxes on APC, Inc.'s taxable income. Based upon various apportionment factors and state income tax laws, APC, Inc. may be liable for income taxes in certain states in which APC, Inc. does business.

APC Ltd. is liable for corporation taxes in the United Kingdom based upon its taxable income.

Use of Estimates in Financial Statements

The preparation of consolidate statement of financial condition in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement. Actual results may differ from those estimates.

In the normal course of business, the Company enters into contracts that contain a variety of representations, warranties and indemnifications. The Company's maximum exposure under these arrangements is unknown, as this would involve potential future claims that may be made against the Company that have not yet occurred. However, based on experience, the Company expects the risk of loss to be remote.

Atlantic-Pacific Capital, Inc.
Notes to the Consolidated Statement of Financial Condition
December 31, 2003

3. Note Payable

At December 31 2003, the following note payable was outstanding:

Loan payable to Citicorp USA, Inc., due October 1, 2007, payable in monthly installments of \$6,200 together with interest based on LIBOR plus 1.5% throughout the term. At December 31, 2003 LIBOR was 1.45%.	\$ 1,178,106
Total note payable	<u>1,178,106</u>
Less: current portion	<u>74,400</u>
Total long-term portion	<u>\$ 1,103,706</u>

At December 31, 2003, the note payable matures as follows:

Year Ending December 31,	
2004	\$ 74,400
2005	74,400
2006	74,400
2007	954,906
2008	-
Thereafter	-
	<u>\$ 1,178,106</u>

4. Operating Leases

The Company leases office space in various cities throughout the United States, Europe and Asia under noncancelable operating leases expiring at various dates through March 2012.

The following is a schedule of future minimum lease payments required under these noncancellable operating leases:

Year Ending December 31,	
2004	\$ 74,400
2005	74,400
2006	74,400
2007	954,906
2008	-
Thereafter	-
	<u>\$ 1,178,106</u>

5. Concentration of Credit Risk

The Company maintains cash and savings accounts at one financial institution. Cash balances are insured by the FDIC up to \$100,000. At various times during the year, balances exceeded insured limits.

Atlantic-Pacific Capital, Inc.

Notes to the Consolidated Statement of Financial Condition

December 31, 2003

The Company derives its revenue from a small number of clients involving transactions with high dollar values. In addition, there is a concentration of receivables with these same clients.

6. Customer Securities – Possession and Control Requirements

The Company is exempt from certain provisions of Rule 15c3-3 of the Securities Exchange Act of 1934 since it carries no customer accounts, and does not otherwise hold funds or securities of customers.

7. Capital Requirements

The Company is subject to the Uniform Net Capital Rule (Rule 15c3-1) under the Securities Exchange Act of 1934, which requires the Company to maintain minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed fifteen to one.

At December 31, 2003, the Company had net capital of \$1,397,438 which was \$735,371 in excess of the minimum net capital requirement of \$662,067. The Company's ratio of aggregate indebtedness to net capital was 7.11 to 1.